



# NEWS RELEASE

**STATE BOARD  
OF EQUALIZATION**

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Sacramento  
California 95814

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Member, BOE  
Second District

**JAMES E. SPEED**  
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**FOR IMMEDIATE RELEASE**

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## **2002 First Quarter – Taxable Sales**

Bill Leonard, Member, State Board of Equalization, announced today that growth in taxable sales in California declined during the first quarter of 2002, posting the third consecutive decline in quarterly growth. Transactions subject to the sales and use tax totaled \$101.0 billion during the first quarter of 2002, a decrease of \$3.2 billion or 3.1 percent from the first quarter of 2001.

In constant dollar terms, taxable sales declined by 1.3 percent over the same quarter a year ago. The California Taxable Sales Deflator measured a deflation rate of 1.8 percent for the first quarter of 2002.

Retail stores posted taxable sales of \$68.3 billion, a 0.4 percent increase over the same period a year ago. Retailers of durable goods experienced a 2.7 percent increase, while non-durable goods showed a 2.0 percent decrease.

In the durable goods category, new car dealers posted taxable sales of \$12.7 billion during the first quarter, a 10.6 percent increase over the same period a year ago. That increase resulted from continuing consumer incentives by automobile manufacturers for new car purchases. Construction contractors showed a decline in growth over the same period last year with taxable transactions of \$3.9 billion, a decrease of 4.7 percent. However, retailers of building materials registered continuing growth in sales. Building material dealers posted taxable sales of \$5.8 billion, up 8.6 percent from a year earlier.

Gasoline consumption increased slightly and measured 3.7 billion gallons. Additionally, the average price of gasoline during the first quarter was \$1.271, an 18.3 percent decline from the previous year's price, which accounted for total sales of \$5.1 billion or a 14.5 percent decline in sales for service stations.

While retail stores' sales experienced nearly zero growth during the first quarter 2002, business and personal services taxable transactions amounted to \$5.1 billion, a decline of 5.7 percent over the same period a year ago. Additionally, all other outlets, comprised primarily of manufacturing and wholesale businesses, saw their taxable transactions decline 10.4 percent on \$27.6 billion.

*(First Quarter 2002 lists of Statewide Taxable Sales [by Type of Business](#), Taxable Sales [by County](#), and Taxable Sales [by City](#) are attached.)*

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